THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI BHARATSINH SOLANKI): (a) and (b) No hydro-electric power project having station capacity of more than 25 MW in the Northern parts of the country being monitored by the Central Electricity Authority (CEA) is facing any closure.

(c) and (d) The Government has not received any such request.

(e) and (f) Power generation has not been affected due to absence of providing easier regulatory terms and incentives to hydel power projects.

Use of IPO proceeds by NHPC

3518. SHRI KALRAJ MISHRA:
DR. (SHRIMATI) NAJMA A. HEPTULLA:
SHRI O.T. LEPCHA:

Will the Minister of POWER be pleased to state:

(a) whether it is a fact that the National Hydro Power Corporation (NHPC) is facing problems in depositing Rs. 4,000 crores collected through IPOs due to guidelines of public sector enterprises;

(b) if so, whether it is also a fact that NHPC is using interest component in view of these guidelines;

(c) if so, the details in this regard; and

(d) whether other PSUs which are coming with IPOs would also face the same problem?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI BHARATSINH SOLANKI): (a) to (c) NHPC has intimated that they are not facing any problem in depositing the IPO proceeds as per the guidelines of investment of Public Sector Enterprises, which provide for deposit in bank on Card rates. These guidelines do not provide for competitive bidding which could fetch higher rates of interest for the deposit/investment and to the extent there is loss in interest. However, the same can not be quantified.

(d) The guidelines circulated by the Government will apply equally in all cases of IPO proceeds of Public Sector Undertakings. No such problem of utilizing IPO proceeds is envisaged for power sector CPSUs proposing an Initial Public Offer/Follow-on Public Offer.

Power station in RVUN

3519. DR. E.M. SUDARSANA NATCHIAPPAN:
SHRI SANTOSH BAGRODIA:

Will the Minister of POWER be pleased to state the reasons for including both thermal power stations of Rajasthan Rajya Vidyut Utpadan Nigam (RVUN) in the list of power stations identified for importing coal?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI BHARATSINH SOLANKI): Against the requirement of 404 Million Tonne coal for the power utilities for the year 2009-10, the

availability of coal from the domestic sources was indicated as 363 Million Tonne leaving a shortfall of 41 Million Tonne. In order to bridge this gap, Power Utilities were advised to import 28.7 Million Tonne coal (equivalent to 41 Million Tonne of domestic coal in view of higher calorific value) which 7.1% of the total coal requirement for 2009-10. Rajasthan Rajya Vidyut Utpadan Nigam (RVUN) has been advised to import 0.8 Million Tonne coal which is about 5.8% of their annual coal requirement for its existing units of Kota and Suratgarh.

Gas to NTPC from RIL

3520. SHRI D. RAJA:
SHRI R.C. SINGH:

Will the Minister of POWER be pleased to state:

(a) whether NTPC has petitioned the Supreme Court to secure gas at the contracted price from Reliance Industries Ltd. (RIL); and

(b) if so, the details and outcome thereof?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI BHARATSINH SOLANKI): (a) and (b) NTPC had invited bids under International Competitive Bidding for procurement of natural gas @ 132 Trillion British Thermal Unit (TBtu) per annum for Kawas-II and Gandhar-II Expansion projects for a period of 17 years. M/s Reliance Industries Limited (RIL) was evaluated the lowest techno-cornmercially acceptable bidder and was issued a Letter of Intent (LOI) on 16.06.2004. However, RIL did not sign the Gas Sale Purchase Agreement (GSPA).

Accordingly, NTPC filed a suit in the High Court of Bombay in Dec'05 against Reliance (RIL) for specific performance of the said contract. Since December 2005 hearing of the case has been held on number of occasions. The affidavit of evidence has also been served in the court. The suit came up for hearing for recording of evidence on 10.02.2009.

In the meanwhile, RIL filed Chamber Summons for amendment to the Written Statement. NTPC challenged the Chamber Summons. However, in the hearing on 20th April' 09, the court passed order in favour of RIL. NTPC again appealed against the aforesaid Court order and on 30.07.2009, the court dismissed the Appeal of NTPC.

NTPC filed Special Leave Petition against the order dated 30.07.2009 of the Bombay High Court in the Hon'ble Supreme Court. The Special Leave Petition was dismissed by the Hon'ble Supreme Court by its order dated 01.10.2009 and allowed NTPC to file its replication to RIL allegations, if any, made in the additional written statement to be filed by RIL in the NTPC suit. The Hon'ble Supreme Court also ordered for expediting the NTPC's case in Bombay High Court.

Per unit cost of gas production

3521. SHRI PENUMALLI MADHU:
SHRI M.V. MYSURA REDDY:

Will the Minister of POWER be pleased to state: